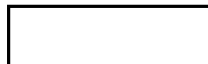


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26 AUG 1969

MEMORANDUM FOR: Planning Officer, Office of Special Activities

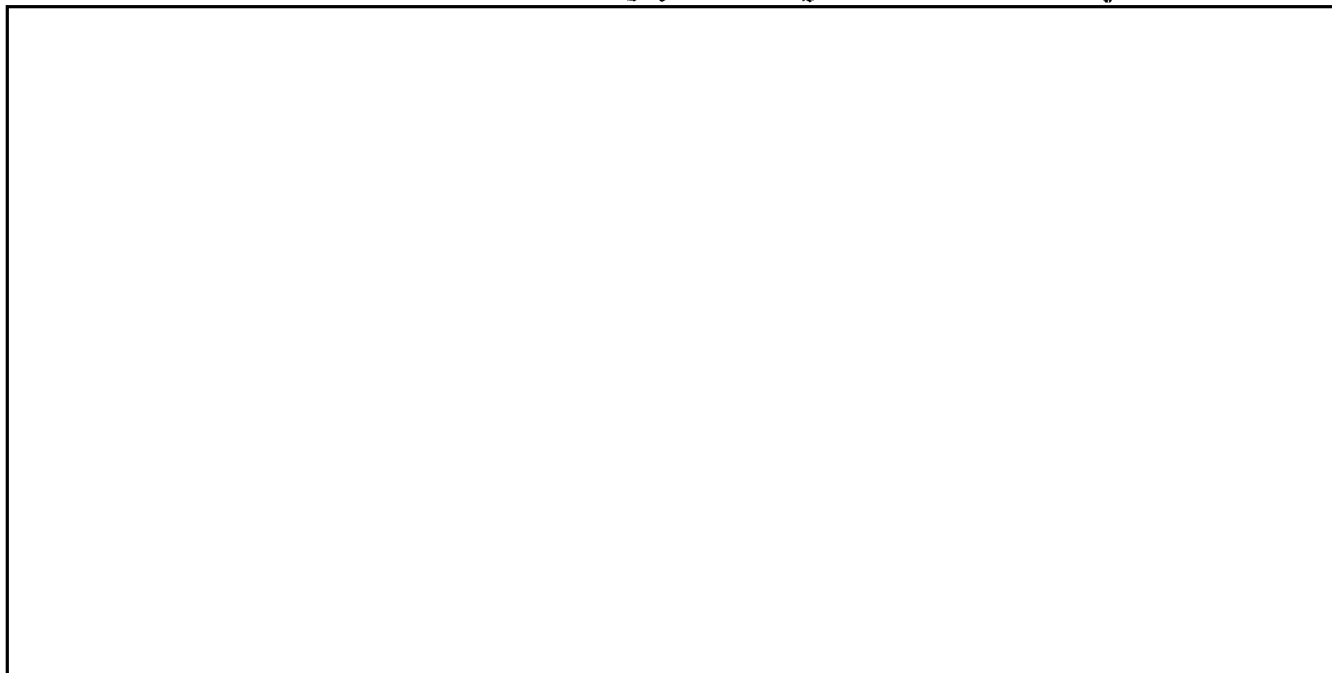
SUBJECT: Special Subjects for FY 1971 Budget Hearings

1. Based upon past experience, the Bureau of the Budget will want to begin hearings on FY 1971 budget requests around the 6th of October.

2. Extensive program reviews earlier this year should keep the October reviews to a minimum. During the next seven weeks O/PFB will advise us of areas where we can expect deep inquiry by the Bureau. O/PFB will provide appropriate questions and forecasts to aid our preparation for hearings.

3. Listed below are program subjects which we have reason to believe will be of prime concern this fall. To these data, provided by O/PFB, we have added further comments to help you arrange an effective response.

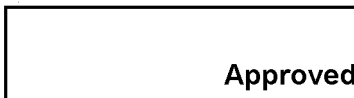
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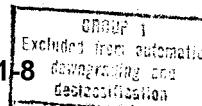
NRO review(s) completed.

DD/S&T
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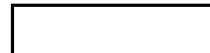
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Page 2

SUBJECT: Special Subjects for FY 1971 Budget Hearings

U-2 Program

The Bureau will strongly consider the possibility of eliminating the U-2 Program. Deep cuts into the OSA base are likely to be in question. Determination should be made as to the number of people and dollars included in OSA's budget for: a) the U-2 Program, b) HRO support exclusive of the U-2, and c) other program requirements.

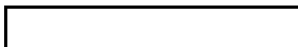
Comment:

OSA already is studying alternatives to the Idealist program. The best tactic may be to admit the low return from Idealist and to propose the best remaining course for the Agency. We had better check with the DCI for his latest views in light of the strict guidance he gave us last year that the U-2 program would stay. Any position that we present must be fully coordinated with Mr. Dockett and we will need his guidance for exactly what to say. The distribution of resources implied in the last sentence of the U-2 program section raises the same problem we went through when Oxcart was being evaluated. Strict distribution of personnel and resources to a given program is largely a matter of "best estimate," and denies overlapping functions. The contracting people, for example, would have to stay on board for something like three years or more to terminate contracts even if the Idealist program stopped today. Some of those people probably must go to OEL and/or OSP if OSA is dissolved because those other Offices will still have HRO contracting responsibilities. Note especially that OSA contracting is sometimes a tacit "quid pro quo"


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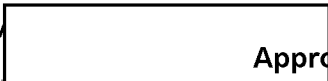
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A quick briefing on the status  joint funding arrangements, and a breakdown of costs involved.

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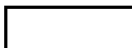


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Page 3

SUBJECT: Special Subjects for FY 1971 Budget Hearings

Comment:

We should emphasize that agreements to support  are already made. We are not now at liberty to make unilateral changes.

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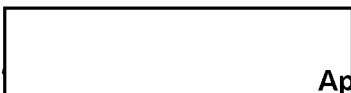
Comptroller
Directorate of
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